

	<b>Montana Operations Manual Policy</b>	Category	Information Technology, Project Management
		Effective Date	01/08/2015
		Last Revised	01/09/2018
Issuing Authority	<b>Department of Administration State Information Technology Services Division</b>		
<b>POL-Legislative Finance Committee Reporting Policy on Information Technology Project Management</b>			

**I. Purpose**

The purpose of this policy is to implement the Legislative Finance Committee Reporting Policy on Information Technology Project Management for defining actions to promote project management across state government; to encourage the use of project management best practices; and to help ensure state government projects meet their intended objectives with respect to scope, time, and budget.

**II. Scope**

This policy applies to all state agencies 2-17-505 et seq., MCA. This policy will adhere to the exemptions as defined in 2-17-516, MCA and 2-17-546, MCA.

**III. Roles and Responsibilities**

- A. To reduce risk to the State of Montana and increase project success, agencies:
  - 1. Must follow the standards and guidelines for project management found in the Project Management Body of Knowledge (PMBOK), which is published by the Project Management Institute (PMI).
  - 2. Have the responsibility to ensure projects meet the intended objectives with respect to scope, time, and budget.
  - 3. Are expected to assign qualified project managers to information technology projects.
    - a. A qualified project manager is defined in section (VI)(C) of this policy.
  - 4. Are expected to adequately plan, manage, and monitor the performance of the projects.
  - 5. Must adhere to 2-17-505, MCA when planning and executing information technology projects.
- B. The Department of Administration (DOA) State Information Technology Services Division (SITSD) shall report information technology projects to the Legislative Finance Committee (LFC) on a regular basis (2-17-512, MCA).
  - 1. LFC powers and duties are defined in 5-12-205, MCA.

**IV. Requirements**

- A. Information Technology Project Portfolio Reporting Requirements per the [LFC Memo dated March 6, 2012](#):
1. LFC determined that projects which meet the following criteria will be included on the LFC information technology project portfolio report:
    - a. Project estimate is at least \$500,000 for development. Development costs include costs for internal staff, vendor contracts, equipment, and software.
    - b. Project is included in the bill that provides resources for long-range information technology (House Bill 10).
    - c. Project is potentially of enterprise interest or need.
    - d. Request from the LFC to include the project on the report. To address concerns with impact to the citizenry, LFD staff will review information technology strategic plans for smaller projects that pose potential risks to the public. Staff would bring forward those projects with potential risks to the LFC for discussion and potential placement on the information technology project portfolio listing.
- B. The following project initiation steps must be complete to begin reporting to LFC:
1. Project Charter must be signed by the project sponsor(s) and executive sponsor(s).
    - a. The Charter document must include, but not limited to, the following information:
      1. List of stakeholders;
      2. Names, roles, and responsibilities of all project team members;
      3. Assumptions;
      4. Constraints;
      5. High-level risk identification; and
      6. Change control process.
  2. Scope/Statement of Work must include, but not limited to, an explanation of the project completion acceptance requirements.
  3. The budget must be approved and identify both internal and external costs.
  4. Project schedule must identify the project start date, milestones, stage gates, and projected completion date.
  5. Risk management documentation must identify risks, rate their likelihood of occurrence, and include one or more mitigation responses for each risk event.
  6. Vendor contracts must be signed, if applicable.
- C. Independent Verification and Validation (IV&V)
1. The State CIO will review all projects reported to LFC to determine if IV&V should be required.
    - a. The State CIO will evaluate the size, complexity, risk,

stakeholders and consequence of failure for proposed projects and will determine to what extent IV&V oversight will be required to adequately monitor the execution of the information technology project.

- b. Projects with a total budget of ten million dollars (\$10,000,000) or more will be required to engage external IV&V.

D. Project Health Indicator:

1. Overall Status:
  - a. Determined by the color of highest severity in any of the health indicators (scope, schedule, budget, or risk)
2. Cost Performance Index (CPI):
  - a. Green = > 0.95
  - b. Yellow = 0.85 – 0.94
  - c. Red = < 0.84
3. Scheduled Performance Index (SPI)
  - a. Green = > 0.95
  - b. Yellow = 0.85 – 0.94
  - c. Red = < 0.84
4. Scope Health:
  - a. Green = No scope changes have occurred to the original plan, or any scope changes that have occurred do not negatively impact schedule or budget.
  - b. Yellow = Scope changes have occurred that have the potential to move schedule or budget into the yellow category.
  - c. Red = Scope changes have occurred that have the potential to move the schedule or budget into the red category.
5. Risk Health:
  - a. Green = No risks have been triggered, or any risks that have been triggered are being mitigated and will not negatively impact schedule or budget.
  - b. Yellow = Risks have been triggered that have the potential to move schedule or budget into the yellow category.
  - c. Red = Risks have been triggered that have the potential to move the schedule or budget into the red category.

E. A [supplemental report](#) to LFC is required for the following scenarios:

1. Project is re-baselined.
  - a. Re-baselined projects must be reviewed by ITB. ITB will make a recommendation to the State CIO prior to reporting the re-baseline to LFC.
2. Project health indicator is yellow or red.
3. Any time an agency would like to provide supplemental information regarding a project.

F. The following requirements must be met for a project to be reported as complete to LFC:

1. Project completion and acceptance documentation must be:
  - a. Signed by the project manager certifying that all

- internal and external work effort(s) defined in the Scope/Statement of Work, any approved change requests, and project schedule have concluded.
    - b. Signed by the sponsor(s) and/or stakeholder(s) originally listed in the Scope/Statement of Work confirming project completion and formal acceptance of the final work product(s)
  - G. A [post implementation report](#) to LFC is required six months after a project delivery date.
  - H. Agencies must produce all project information upon request by LFC or the State CIO.

## V. Enforcement

- A. Establishing and Implementing Statewide IT Policies, Standards, and Procedures govern policy changes or exceptions. Submit an Action Request form to request a review or change to this instrument. Submit an Exception Request form to request an exception. Changes to policies, standards, and procedures will be prioritized and acted on based on impact and need.
- B. 2-17-514, MCA, addresses agency level enforcement information.
- C. Montana Operations Manual (MOM) Discipline Policy addresses individual level enforcement information

## VI. Definitions

- A. Refer to the National Institute of Standards and Technologies (NIST) Glossary of Key Information Security Terms for a list of definitions.
- B. Refer to the PMBOK glossary for industry standard definitions.
- C. A “qualified project manager” is a person who holds one or more PMI credentials and/or has been hired by an agency for the purposes of project management.
- D. Information technology is defined in 2-17-506, MCA.

## VII. References

- A. **Legislation**
  - 1. Section [2-17-505, MCA](#)
  - 2. Section [2-17-506, MCA](#)
  - 3. Section [2-17-512, MCA](#)
  - 4. Section [2-17-514, MCA](#)
  - 5. Section [2-17-516, MCA](#)
  - 6. Section [2-17-546, MCA](#)
  - 7. Section [5-12-205, MCA](#)
  - 8. [Montana Information Technology Act \(MITA\)](#), Sections 2-17-504 et seq., MCA
- B. **Policies, Directives, Regulations, Rules, Procedures, and Memoranda**
  - 1. Administrative Rules of Montana (ARM): [ARM 2.12](#)
  - 2. NIST: [Glossary of Key Information Security Terms](#)

3. Statewide Policy: [Discipline Policy](#)
4. Statewide Policy: [POL-Information Security Policy - Appendix B \(Security Roles and Responsibilities\)](#)
5. Statewide Procedure: [PRO-Action and Exception Request Procedure](#)
6. Statewide Procedure: [PRO-Establishing and Implementing Statewide IT Policies, Standards, and Procedures](#)
7. [State of Montana Office of the Governor Executive Order No. 09-2016](#)